

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

Case No. 07 CV 06418 (CM)(HP)

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FRANCESCO GALLO,

Plaintiff,

-against-

ALITALIA - LINEE AEREE ITALIANE –  
SOCIETA PER AZIONI,  
PIERANDREA GALLI, and  
GIULO LIBUTTI,

Defendants

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STATE OF NEW YORK     )  
                                  ) ss.:  
COUNTY OF NEW YORK )

I, FRANCESCO GALLO, do hereby state and declare under the penalties of  
perjury as follows:

1. I am over the age of 18 and reside in the State of New York.
2. I am the plaintiff in the herein action.
3. I began working for ALITALIA around September of 1968 as an accountant.
4. I worked my way up through Alitalia to become Managing Director of Alitalia  
- North America.

5. From 1994 to 1999 I served as Vice President of Human Resources and Chief Financial Officer of Alitalia North America and Mexico.
6. I then served as Managing Director of Alitalia North America from 1999 to 2001 and served as Senior Vice President of Corporate Affairs, Alitalia Group, North America and Mexico from 2001 to 2006.
7. I also served as President of GA 2000, a company owned by Alitalia, from 1995 to 2006. In 2006 I was ordered to close GA 2000.
8. At the same time I was also president of another company of Alitalia named Global Executive.
9. Both companies were very profitable to the company.
10. From 1994 to 2006 I was directly involved with human resource matters in Alitalia North America, including its office in New York.
11. Around September 15, 2005 I was purportedly reassigned as a "Consultant" to Alitalia pursuant to an agreement between me and Alitalia.
12. However, in reality, I was not reassigned as a "Consultant" but was rather kept on and reassigned as the Senior Vice President of Alitalia for Corporate and Regulatory Affairs for North America, working under Mr. LIBUTTI.

13. After September 15, 2005, I continued as an employee of Defendants and my duties did not change.

14. The above Agreement also purported to release Alitalia from all claims up to September 15, 2005.

15. Defendants wrongfully terminated me on or around the end of May 2006.

16. Defendants fired me because of my age. Executives for Alitalia in Rome, including Francesco Mangozzi, CEO, told me that Alitalia wanted younger employees at Alitalia. I was fired eventually because I was too old for them.

17. Up until my termination, Mr. Libutti and Mr. Galli told me, that I was too old and that I should quit and that I was no "young chicken" and numerous other derogatory comments referring to my age.

18. I opposed such unlawful employment practices by frequently telling them up until I was fired that what they were doing was illegal and that if it did not stop, I would sue them. Not only did it not stop, it got worse and Defendants ultimately fired me for this.

19. Defendants fired me because of my disability(ies). I suffered from Depression, Anxiety and Coronary Disease. Defendants did not want someone with my disabilities in my position working for them.

20. Up until my termination, each of the Defendants created a hostile work environment for me because of my disabilities on a continual and almost daily basis, by telling me, I was sick and could not do the job, and that I was crazy, and numerous other derogatory comments referring to my disabilities.

21. Up until my termination, Mr. Libutti created a hostile work environment for me because of my citizenship on a continual and almost daily basis, by telling me, I was an “American Shit” or telling me I should quit since I was no longer Italian, and numerous other derogatory comments referring to my citizenship.

22. Defendants fired me because of my perceived sexual orientation. Defendants considered me to be gay.

23. Up until my termination, each of the individual Defendants made comments like “you must be very busy taking it in the ass” and numerous other derogatory comments referring to my perceived sexual orientation.

24. Up until my termination, I also frequently told the individual Defendants that their employment discrimination towards other workers based on age, sexual orientation, citizenship, was illegal and that it should stop.

25. On or about December 2003, during a meeting held in New York, Mr. Francesco Mengozzi, the CEO of the Alitalia, directed me to make sure, by the same year ending, to terminate at least 50% of Alitalia's North American Division employees, supervisors and managers who were over the age of 50 years, and to replace these "older" workers with younger individuals, not older than "30/32 years of age."

26. I myself was over the age of 50 years.

27. During the first week of October 2005, I was told by Defendant PierAndrea Galli, (Senior Director Sales Worldwide) located at Alitalia's Headquarters in Rome, Italy, that as of that date, I was not reporting to him directly any longer, and that my new direct Supervisor was Defendant Giulio Libutti (SVP. Sales North American).

28. Almost every single morning, Mr. Libutti would call me into his office and, always closing his office's door, and ask me questions related to the sexual orientation of various employees' male and female alike.

29. On or about the second week of December 2005, Mr. Libutti asked me, "Franco, (my nickname for Francesco), I would like to know from you, why do you always defend gays and lesbians? Why don't you want to fire them? Is it possible that you are one of them?"

30. On or about the end of December 2005, while Mr. Libutti was either on vacation, or out on business, during an initially work-related telephone conversation, Mr. Libutti told me “I’m having the greatest time on the beach, so much pussy available!! Even if my wife is here. I am making sure to get all my opportunities! Well I forgot that you don't care about pussy. . . How are all the queers (FROCI was the Italian word used which has a much worse connotation than Fag) at Alitalia? . . Since I’m not there, you must be very busy taking it in the ass. Try to be good. . . Think what would happen if your wife would find it out!”

31. Upon Mr. Libutti’s return to the office, making reference to the telephone conversation, I related to him that I did not appreciate at all his conduct, and it was necessary to stop immediately. While leaving his office, Mr. Libutti grabbed my arm, forcefully closed the office's door and yelled: “sit down on this fucking chair, and listen to me carefully, or I will break your ass.....oh no, no you might like that very much, but listen to me once and for all: as you should know by now, I am a real and convinced fascist, like your friend Mazzucco, I hate with all my passion gays, lesbians, Jews, and all these fucking Americans attorneys, that protect them. Now I understand why you negated your Italian citizenship and became one of them. Do you think that I don't know that you rushed to become an American, in order to fuck my strategy?”

32. On the following day, during a telephone conversation with Mr. Galli in Rome I informed Mr. Galli that my working conditions with Mr. Libutti were unbearable and that Libutti's objective was to force me to quit the company. Mr Galli replied that he was very busy at that particular time, but promised me that he would talk to Libutti. After not even 20 minutes, Mr. Galli called me back and said: "Franco, I spoke to Giulio (Mr. Libutti) and I can assure you, that it is all in your imagination, Giulio loves you, and he needs your professionalism and capabilities to solve the company's problems. Is it possible that with your health conditions, you are making this up?"
33. Two days later, Mr. Libutti called me for coffee as usual, and said to me: "Franco, remember, that you must do what I tell you to do, I am the Boss here, and if you think that Mr. Galli is your friend, you are fucking wrong, how can you be so fucking stupid, don't you understand? I had an order from him, before I came to work in the States to make sure to fire you.. . . Franco, remember, again I am the boss here, and as you can see I talk to you only on a one-on-one basis. It will always be my word against yours." Mr. Libutti then took a pad out of a folder and told me, "Franco, it is your responsibility to find a way at zero cost to the company, to fire the following people: Angela Ross, Esther Lo Russo, Betty Santella, Gabriele Mariotti, Concetta Corso, Marylin Abbott etc and all others that didn't accept the retirement package. It is also your responsibility, to select and hire two new employees, a manager in the HR Department will replace Angela Ross, and a vice president, that will replace Orlando D'oro, and will report to you. . . Do also remember that I don't

give a shit . . about your adoptive country, all new employees must be young, no more then 30 years old, no gays, no lesbians, and no blacks.”

34. I greatly opposed this discriminatory practice and told Libutti so.

35. In response to my complaints, Libutti, stated that he was all over the world and never faced with all these complications. He continued with negative remarks about this country, and he was sure, that “as the Roman Empire came to an end, soon the United States of America would also follow the same destiny.”

36. Libutti asked me to follow him to his office, closed his office's door, and then slammed me against the door, grabbing my arms and pushing me again toward the other wall, near the window. I was terrified, especially looking at Libutti's face which was red and seeing how extremely angry he was.(Alitalia's office is located at the Empire State Building on the 37th floor) I did my best to free my body from Libutti's hands, and I told Libutti that it was my firm request, to leave his office. Libutti stated, inter alia, in return: "You will be free to go, only after you have listened to me. . . .” and Libutti continued to berate me.

37. In the following days, walking around the office, I noticed and felt a big change on the part of my coworkers; that their usual behavior was exactly the opposite than before, preferring to avoid me as much as possible. In fact, Mr.



Orlando D'oro, Vice President of Regulatory Affair and my Assistant, informed me that Libutti, while I was in Chicago for a legal deposition, visited D'oro's office, asking questions about my trip, and telling D'oro numerous denigrating comments about me.

38. Around the end of February, 2006, I selected a new candidate, for the HR Manager position, but contrary to the past practice, before hiring her, I invited the HR manager from Rome and Libutti to be present at the final interview. Libutti stated that professionally I selected OK, but physically he didn't like her at all, stating that she was "Fat Horse." Again, I opposed this employment practice.

39. On or about Feb. 21 2006, I reported all the credentials of Mr. Dursun Oksuz to Libutti for possible promotion.. Libutti told me "Good. He is a Turk, and he was born in Istanbul, I know Turks very well, I have many Turkish friends. They are not American like you, and I trust Muslim people a lot."

40. With Libutti's permission, I promoted Mr. Oksuz.

41. Mr. Oksuz is a homosexual male.

42. Around April, 2006, Mr. Oksuz, was vigorously complaining to me that he was being continuously harassed by Libutti. I asked Mr. Oksuz to prepare a letter to me regarding his complaints of harassment by Libutti. The following day, I decided to talk to Libutti, about Mr. Oksuz. After mentioning Mr.

Oksuz to Libutti, Libutti told me "I'm very sorry. This is a disgrace. This guy is worth nothing. He is a very strange person. I know now that he is a dirty gay, and now I know why you promoted him. You must make sure that he will not pass the probation period. You must fire him. He is a fucking son of a bitch"

43. I informed Libutti that I was tired of his conduct and his accusations, his hostility towards me, and his harassment and discriminatory actions. At this point, Libutti stated: "You don't scare me. Nor you or any other Gay, Old, American shit, son of bitch like you."

44. I frequently saw Libutti and Mr. Oksuz having what appeared to be confidential meetings.

45. For the next 3 days I didn't go to the office and was enduring much suffering. I decided after 3 days to go back to work at the office and try to avoid Libutti, which was not easy. So I decided to keep my office's door closed as much as possible, and focus on my work.

46. On or about May 8, 2006, while I was working, Mr. Galli and Mr. Libutti (Mr. Galli just arrived from Rome at Newark airport) entered my office, closed the door and Mr. Galli said: "Franco I know that you don't deserve all this, after all the good things that you have done for the company, but I am here to tell you that the same company now, wants you out of here, you have been fired,

and I am sorry to be the one to tell you. You must leave the Alitalia office, as soon as possible. They don't want you here anymore.” I asked who they were, but received no response. I told Mr. Galli, that I needed some time to prepare my personal belongings, after 38 years of service, I needed at least a week of time, also because I had certain corporate responsibilities with respect to the American government, as well as other institutions for which I was a fiduciary in name and for the account of Alitalia.

47. On or about May 23, 2006 while I was preparing my boxes to leave, Libutti entered my soon-to-be former office, and told me “I’m telling everybody that you will be going on a medical leave of absence, I urge you to say likewise.”

48. Around the end of May, 2006, I was no longer an employee of defendants.

49. Additionally, on or about May 12, 2006, two managers of Alitalia from Rome were in New York on a business trip. They visited Libutti in his office. Libutti told these two officers of the company that Francesco Gallo (I) was fired by him and Galli because I am gay, and that it was necessary to “clean up” Alitalia, and that the majority of Alitalia’s North American employees were “Gays and Lesbians.”

50. Soon thereafter, I was receiving, numerous telephone calls from Alitalia’s offices all over the world; From colleagues and long time friends, expressing

affection and support, and asking me to please take all necessary steps to defend my reputation, but also to put a stop to this kind of company's practice.

51. Around this time, I learned that Mr. Oksuz was leaving the company.

52. Thereafter, on or about the third week of June, I received a threatening telephone call from Libutti stating: "Franco, I'm very sorry for you, but Mr. Oksuz has sued you and the company. I want you to contact our new law office, that represents Alitalia. If you promise me, that you won't sue Alitalia, for what we did to you, Alitalia will take care of the case and we will pay some money to keep his mouth shut. Mr. Oksuz, is accusing you of sex abuse, but I know that it is not true, and that he is doing this, to get some money. I do repeat, it is very important for you not to sue Alitalia, otherwise, you must pay Oksuz . . . " Defendants continued to pressure me into not enforcing my rights under the discrimination and anti-retaliation laws.

53. I had been so unlawfully humiliated, defamed, harassed and emotionally strained by the Defendants, that two or three days later, I found myself as an in-patient at New York Presbyterian Hospital where I remained for about 10 days to help alleviate my mental suffering.

54. On June 20, 2006, after returning from the hospital, my wife informed me that earlier that day, she received a telephone call from Libutti, telling her that he

was very sorry for me, that he wanted to help her, not asking me to repay the amount that Alitalia had to pay Mr. Oksuz for his claims. Mr. Libutti told my wife, in order to minimize the big scandal, she had to promise Libutti that she would force me to not sue Libutti and Alitalia. Libutti also told my wife that if I would sue Alitalia, he would ruin my reputation among everyone in the world that I knew.

55. In the same conversation with my wife, Mr. Libutti told my wife that I was a homosexual and he told my wife that I had had anal sex with Mr. Oksuz.

56. I am not a homosexual and I have never had sex with Mr. Oksuz.

57. The above defamatory statements were false and Mr. Libutti knew them to be false at the time of making them.

58. My wife informed me that many people had called her and offered her support, since Mr. Libutti made sure to advertise the matter, within the entire Alitalia, Italy, including, the General Consulate Of Italy. Even my children were made aware at their school. On the same day, June 20, 2008 I was admitted to the Payne Whitney Clinic for my extreme emotional distress.

59. On or about the second week of August, I received a telephone call, from Mr. Oksuz, who told me that he attempted suicide, and that he was at Beth Israel Hospital. Mr. Oksuz told me, that he wanted me to know, that he (Mr. Oksuz)

was “the worst man in the world”; that he was very sorry, but at this time he badly needed my pardon and try not to judge him extremely for what he was forced to do. Mr. Oksuz promised that he learned at a high price the lesson that will guide him for his future, if there will be one. My suspicions of what went on in the confidential meetings between Oksuz and Libutti were now confirmed.

60. My wife eventually left me as a result of the defamatory statements and emotional toll the above events took on me.

61. I complained about the discriminatory and unlawful conduct, yet the discrimination continued.

62. I would hear on a very frequent and continual basis, both PIERANDREA GALLI, AND GUILIO LIBUTTI call and refer to a gay employee of Alitalia, Mr. Gabriele. Mariotti as a “fag” ( Frocio in Italian).

63. I would hear on a very frequent and continual basis, both PIERANDREA GALLI AND GUILIO LIBUTTI call and refer to Ms. Mariotti as a “Little Lady” (Femminella in Italian).

64. Both PIERANDREA GALLI, AND GUILIO LIBUTTI would also state that Mr. Mariotti’s brother was also a “fag.”

65. Additionally, I was directed by PIERANDREA GALLI AND GUILIO LIBUTTI to fire Mr. Mariotti because he was a “fag.” I refused to do this. They also wanted me to fire all homosexuals in the company.

66. Additionally, around August of 2004, Mr. Mariotti applied for promotion to the position of Senior Director of Sales. PIERANDREA GALLI AND GUILIO LIBUTTI and I were in charge of the decision making process for the promotion.

67. Mr. Mariotti was the best possible candidate for the position. However, PIERANDREA GALLI AND GUILIO LIBUTTI, more so Libutti, kept referring to Mr. Mariotti as a “fag” and told me to “stop supporting a frocio (“fag”)

68. Additionally, around May of 2006, Mr. Mariotti was “promoted” to a marketing position and was set up to fail. GUILIO LIBUTTI told me he was not going to give Mr. Mariotti the resources Mr. Mariotti needed to perform at his job in order to have Mr. Mariotti fail which would form the basis to terminate him.

69. PIERANDREA GALLI AND GUILIO LIBUTTI created a hostile work environment for the Mr. Mariotti and wanted him fired because of his sexual orientation.

70.

71. I and Defendants also entered into an agreement dated September 15, 2005 wherein Defendants agreed to provide me with continuation of all employee benefits to which I was then entitled and in which I was then participating up to age 65.

72. Defendants breached that agreement and as a result I suffered damages.

73. As per my agreement with Alitalia dated September 15, 2005. Alitalia was to provide me with a “continuation of all employee benefits to which Employee is currently entitled and in which he is currently participating, or payment necessary to privately purchase their equivalents, up to age sixty-five (65) . (401-K; Social Security; Medicare).” Alitalia stopped paying for numerous employee benefits to which Plaintiff was entitled at the time of the agreement; namely, Alitalia stopped paying for my automotive expenses such as garage fees, gas, tolls; Alitalia stopped paying for my Health Insurance; stopped contributing towards my 401(k) plan; failed to give me a gold Rolex watch to which I was entitled; cancelled the Supplemental Pension Plan; failed to continue paying for my cell phone. Also, when the Italian Vice-Prime Minister was visiting New York City from Italy, Individual Defendants told me to pay for said politician’s entertainment expenses; to pay for a limousine to take him around New York; to pay for various meals and entertainment. However, despite said promise to repay, They failed to repay me for same.



74. My opposition to Defendants' unlawful conduct culminated in my termination.

75. The above are just some of the examples and this type of behavior occurred to me on a daily, continuous and pervasive manner.

76. Other conduct of the defendants, prior to September 15, 2005, merely as evidence of the hostile work environment existing after September 15, 2005, as evidence of my wrongful termination on account of age, disability, citizenship, and perceived sexual orientation, and to demonstrate additional motivation behind all retaliation for my opposition, is as follows:

77. On or about, September 2002, I was invited by Mr. Paolo Fabiani (I's immediate superior) to participate in a meeting in Rome, to present to Mr. Francesco Mengozzi, CEO of the company, the economic situation and the budget result for the year 2002, of the territory under my jurisdiction.

78. I left New York for Rome to participate in the meeting. When I arrived at the meeting room, the majority of my colleagues from all over the world were in the auditorium.

79. After only two minutes of my 30 minute presentation, Mr. Mengozzi interrupted me, and stated, "It is time that we understand that this company

needs young people. . .People who have new visions. People over 50 should make space for younger people.” Mr. Mengozzi went on to scream at me, “You sit down, and I don't have time or desire to waist time with you.”

80. The meeting went on and the other younger presenters had the chance to present their presentations with no intervention at all.

81. It was clear to me that the meeting was intended to give me a message to retire from Alitalia. That evening, I went back to the hotel and was very sick. I ended up in the Hospital from my reaction to the Defendants’ conduct.

82. The following week, I received a phone call from Mr. Fabiani, who told him that he was very sorry for what happened, but to be strong, because Mr. Mengozzi hated me and he wanted me out, because, , Mr. Mengozzi wanted new and younger people. I opposed this policy.

83. On or about the month of December 2002, I felt very sick and was hospitalized. I was in the psychiatry ward for more than a month, and another month as an outside patient, going to the hospital at 9.30 in the morning, till 2.30.

84. During my stay in the hospital, I was visited by Mr. Fabiani and Mr. Luigi Di Bianco. (Mr. Fabiani, my superior and Mr. Di Bianco, Head of Human Resources, Worldwide.) They told me: (Mr. Fabiani with tears in his eyes)

"Franco, we have a terrible notice to give to you, Mr. Mengozzi, decided, to split the responsibilities of the territory of North America in two, so from today on, your title won't be Managing director North America anymore, but Senior Vice president Corporate Affairs for Alitalia Group. While Mr. Niels Wulf will be transferred from London to New York and will be responsible for Sales and Marketing North America, and your title would be Senior Vice President Sales. Both of you will report to the main office directly and to the various responsible person, according to the function responsibilities." Mr. Di Bianco stated that according to him this was a very wrong and dishonest decision, and that Alitalia, would have paid terrible consequence for this decision. Defendants were clearly retaliating against me because of my age and because of my opposition to Defendants unlawful employment practices.

85. On or about the month of March, 2003 Mr. Wulf, arrived in New York, and while I was still in the Hospital, he telephoned me. Mr. Wulf and asked me to vacate my office, because it was decided, that my office would now be occupied by him. I called Mr. Di Bianco in Rome and asked why I had to release my office space to Wulf. Mr. Di Bianco said that since the office was quite large, Mr. Wulf and I had to share the space, dividing it with a partition. Mr. Wulf refused such order.

86. I thereafter learned that Mr. Maurizio Pace had become my new boss. At the beginning of April 2003, I returned from my sick leave and found all my office belongings as well as my personal items in the corridor. I was forced to

use a meeting room, without a window as his office. I felt very humiliated, especially when the employees were asking me "What was going on" and "What terrible thing did you do to deserve that."

87. On or about December of 2003, Mr. Mengozzi during a visit in the office, with Mr. Zanichelli, P.R. Executive S.V.P., Mr. D'angelo, H.R. V.P., and Mr. Antonio Pola, Director Administration during a meeting with me, Mr. Wulf and Mr. Mengozzi started attacking me, in a very brutal and humiliating way, accusing me of not having terminated the "old" employees; that I was not the right guy to do what he ordered. Mr. Mengozzi said to me, "Since you are now a psychiatric subject, how can I trust that you understand what I really want to be done?"

88. After the meeting, Mr. Mengozzi, requested to meet the H.R. Director, Mr. Howard Tiegel. Mr. Tiegel, that evening, reported to me that Mengozzi, asked me to prepare a list with the names of all employees over 50 years of age, and making a statement that all these people had to leave the company.

89. Mr. Tiegel protested Alitalia's discriminatory policies so Alitalia paid Mr. Tiegel money to secure a release, and terminated Mr. Tiegel.

90. Alitalia requested me to take over the responsibility of H.R. in the interim, directly under my supervision, while keeping all of my other responsibilities until a new H.R. Director could be nominated.

91. After about six months, a new H.R. was nominated: Mr. Andrea Sciarresi, a 32 years old expatriate, from Rome, with only two months of seniority with company.

92. Mr. Sciarresi, after a month in service, in North America, around April of 2004 informed me that Mr. D'Angelo (V.P. H.R. foreign markets) has instructed Mr. Sciarresi to try to learn from me as much as possible in the shortest time possible, because it was Defendants' plan to terminate me, because I know too much about all of the skeletons that the company has in the closet.

93. Around the fall of 2003, Mr. Wulf was terminated by the company. Mr. Galli and Mr. Libutti were transferred to New York. Both of them are much younger than me: Mr. Galli about 45 years old and Mr. Libutti about 42.

94. When Galli and Libutti were transferred to New York, Mr. Galli decided to have his office in the building at Rockefeller center, where I was, Libutti instead at 666 fifth avenue where the majority of the employees were located. I asked Mr. Galli why he didn't want to be in my former office at the other building, after all it was a much bigger office and very executively decorated. Being number one in the North America organization of Alitalia, Galli told me that my former office will now be occupied by Mr. Libuti and that he preferred to be near me.

95. Since the very first day and on a daily basis, Mr. Galli playing the friend's role, started and continued to tell me on a daily basis to resign, from Alitalia; that I was not a young guy anymore; and that would have been just stupid to continue to work, considering that in the past I was in a psychiatric ward. I was very stressed and depressed from the realization that the company which I loved so much, and to which I dedicated most of my life, was ready to dispose of me as a dirty object.

96. During Mr. Galli's stay in New York, while in the office I noticed very frequently Mr. Galli looking at me and with a maliciously smile, was keeping moving his penis inside his pocket. After about 20 times that such an event took place, since this all was making me very uncomfortable, I decided to confront Mr. Galli and told him that I wouldn't accept any longer his genital game maneuverings, and that if he was in the urge to touch himself he should go to the men's room and play as long as he wanted. Mr. Galli smiling and getting closer to me with his right arm, on my shoulder said: "Franco I know that you may want to play with it, you could come to the bathroom with me, but I have one condition, you must shave your beard first" I felt disgusted, and asked him to leave my office immediately.

97. My working relationship with Galli changed deeply.

98. I was later very happy when he learned that Galli was recalled to Rome for a big promotion, but I was still very sad knowing that Galli would continue to be my boss.

99. On or about the fall of 2004, Mr. Galli organized a meeting in New York, inviting Mr. Michele Ruggiero from Rome (He was the administrator of Alitalia's Executives of the company) to finalize my package out of Alitalia. I refused to accept Defendants' package. The following day, Mr. Galli told me "Franco, this company, is not for you anymore, you have the possibility to get a great package that I presented to you and that Ruggiero presented to you. I tell you as a brother, this company has few more months of life then will go bankrupt and you will lose everything. I'm looking after your interest because you have been good to the company, but remember that the company that you know doesn't exist anymore.

100. As further evidence of the mistreatment of their employees, Defendants also wrongly misappropriated funds from the employee pension plan, thereby negatively affecting the worth of my pension, in addition to the worth of all of the other employees' pensions.

101. Eventually, I was beaten down to the point where I did sign an Agreement with Alitalia which purported to make me a "consultant" to Alitalia.

102. According to the Agreement, September 15, 2005 was the last day of employment for me.

103. However this is not true. I was held on and was continued as an employee of Defendants as Senior Vice President of Corporate and Regulatory Affairs working under Giulio Libutti until May of 2006.

104. I received so much pressure from the Defendants to fire Ester LouRusso because she was an old woman.

105. In 2003, Libutti and Galli told me that they wanted to rejuvenate the North America Operations of Alitalia and change the average age of the staff of the North American Division to approximately 30 to 35 years old.

106. Howard Tiegel, vice president of Human Resources from around 1999 to 2002 told me that Mr. Mangozzi, the CEO of Alitalia, told him to rejuvenate Alitalia and fire people over 50, he also told me that they are after you as well.

107. Furthermore, he told me that they asked him to persuade me to comply with their plan to fire senior employees and replace them with younger employees.

108. I was ordered to fire Merylin Abbott because she was lesbian and an ugly old lady. I did my best to procrastinate the order that was given to me.



109. I was ordered to fire Concetta Corso because she was pregnant and couldn't handle her job. I was able to save her job.

110. I learned from Romano Mazzucco that Galli and Libutti told him I was fired because of being gay and a friend of gays.

111. Isabella Elia informed me that if the walls of the corridors at the main office could talk I would hear my name being gay; Mr. Libutti was justifying my termination because of me being gay.

112. I was ordered to fire Betty Santella because of her being lesbian and for being Ester LoRusso's friend. I was able to delay her termination of employment.

113. Defendant Libutti manipulated my driver Michele Gasparro by asking him to report to him everything I was doing at the office, people that would visit me in the office as well as places that I was going when he was driving me places.

114. As per the section 3 of the Agreement between me and Alitalia dated September 15, 2005, if the agreement is cancelled, the parties will have the opportunity to negotiate towards a new agreement. I was never given the opportunity to negotiate towards a new agreement.

115. Defendants never explained me the reason why I was fired.

116. Defendants never mentioned me that I was fired because of the alleged internal audit in early 2006.

117. The alleged internal audit in early 2006 is a pretext. Even if the alleged audit report taken as true and accurate it only reveals the incompetence of the individual defendants who were my supervisors at the time of the audit, and they were not fired.

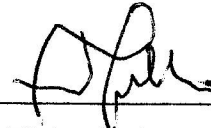
118. Defendants do not allege a single negative internal audit report up until early 2006. I have been working for Alitalia since 1968.

119. I received constant promotions and appreciation letters from my superiors during my 38 years of service to Alitalia. All those letters were in my personnel file that Defendants allegedly lost.

120. The audit reveals the degradation at Alitalia's North American Operations only after the Individual defendants were promoted to be my superiors. Moreover, the items contained in the audit were not part of my responsibilities. Rather, they were the responsibility of Mr. Libutti, Mr. Galli, Mr. Cesari and Mr. Marco Marchese. I was even consulted by the Auditing Director, Luigi Travaglione on ways Alitalia could improve their conditions.

I hope this Affidavit helps shed some light on the discrimination and retaliation to which I was subjected while employed at Alitalia.

I hereby declare that the above is true and correct to my best recollection.



FRANCESCO GALLO

Sworn to and subscribed before  
me this <sup>th</sup>24 day of June 2008

  
Notary Public

**ISMAIL S. SEKENDIZ**  
Notary Public, State of New York  
No. 02SE6151705  
Qualified in Kings County  
Commission Expires August 21, 2010